

PacifiCorp Merchant Comments on BPA's Proposed Short Term Firm Available Transfer Capability Methodology - 4/16/04

PacifiCorp Merchant (C&T) appreciates Bonneville's Transmission Business Line (TBL) willingness to continue to take input from transmission users on determination of Short Term Firm Available Transfer Capability (STFATC). TBL plays an important role in the transmission infrastructure in the northwest and we find such coordination and continued discussions an integral part of TBL's leadership in the region.

Members of C&T staff attended the 4/14/04 customer meeting and found the discussions at the meeting to be a useful tool for better understanding of the objectives and methodology used to determine STFATC. At the meeting TBL requested comments be provided by Friday April 16th. The following is a list of C&T comments, questions and suggestions;

- **POD's/POR's** – C&T is un-comfortable with the proposed POR's and POD's for the PACW system. We are not sure what type of evaluation was done and how the POD's and POR's list was determined. We would like to see a similar approach that was used for the Power Business Line (PBL) be used for PACW due to the complexity of so many interface points the PACW system has with the TBL system. Our hope is this proposed approach will cover the issue of contracts that have multiple POR's and POD's. C&T is also concerned that the deemed points may unnecessarily restrict our abilities (i.e. Summer Lake 500KV limitations due to AC/DC intertie & Summer Lake-Mid Point 500KV nomograms). C&T would like to explore adopting the approach TBL used with the PBL, i.e. the weighted average methodology.
- **De Minims Deadband (Deadband)** - Deadband for STFATC needs to account for the value used for the Long Term Firm ATC (LTFATC) Deadband process. It is a balancing act to determine a Deadband value for the STFATC but needs to be something lower than the LTFATC Deadband and should be modified periodically based on up-coming system conditions. We suggest a modification on a seasonal or semiannual basis with a specific range that is covered in the tariff. Existing long term contracts (IR, FPT, NT, PTP) need to be protected before the STFATC Deadband is applied for ATC determination.
- **Re-direct** – Under the re-direct proposal what happens to the contracts that have secondary rights? In addition, C&T is unclear how non-firm redirects will be administered.
- **Nonfirm Product** – Will TBL post non-firm products and if so, how will that be treated during operating hours? The current northwest practice has been that nonfirm transmission becomes firm as the operating hour ramp begins. C&T believes that to date TBL has not established a methodology for determining short-term non-firm ATC. C&T would like to work with the TBL to help determine a workable solution for all parties.
- **Assumptions** – It is our hope that the TBL will re-evaluate the assumptions used to determine the PUF analysis and the proposed deemed POD's/POR's at least on an annual basis. C&T assumes it's existing contract rights will not be jeopardized as result of this proposed STFATC methodology, as stated by TBL staff in recent public meetings.